

Election FOCUS

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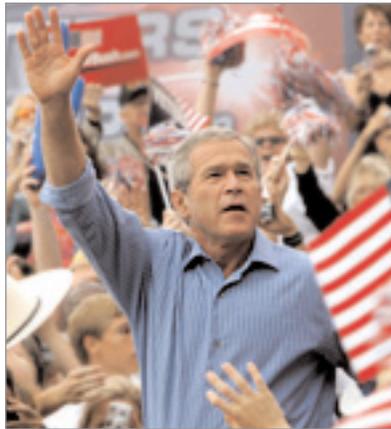
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FAST FACTS:

- ✓ Between August and October 2004, 87 percent of presidential election advertisements have run in markets that contain only 27 percent of the electorate.

—Nielsen-Monitor Plus and the University of Wisconsin Advertising Project

Bush, Kerry Gear Up for Final Days of Campaign



President Bush waves to supporters as he arrives at a campaign rally Tuesday, October 19, 2004 in St. Petersburg, Florida. (AP Photo/Pablo Martinez Monsivais)



Democratic presidential candidate Sen. John Kerry greets supporters at an early vote kickoff rally in Orlando, Florida on Monday, Oct. 18, 2004. (AP Photo/Gerald Herbert)

National polls show a statistical dead heat between the two major candidates with less than two weeks to go until the 2004 presidential elections. President George Bush and Vice President Dick Cheney and their Democratic challengers Senators John Kerry and John Edwards face a competitive and dramatic final stretch of their election campaigns.

The last of three presidential debates concluded on October 13 with a debate

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Economic Issues and the 2004 Campaign

Voters' concerns about their jobs, businesses, government benefits, taxes and general economic conditions are always extremely important in U.S. presidential elections. This year, the economy along with terrorism and the war in Iraq are the important issues in the campaign, according to a variety of polls. President Bush and Senator Kerry have both stressed economic issues in the debates and on the campaign trail, offering competing policies on taxes, health care and other government programs.

The 2004 campaign's economic policy debate goes back to 2000, when the U.S. economy reached the end of an extended low inflation, high growth expansion. Rising tax revenues – bolstered by tax revenues from capital gains as

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on domestic issues in Tempe, Arizona. The debate demonstrated the marked differences between the candidates and signaled the beginning of their final sprint to Election Day on November 2. The candidates reached a nationwide audience during the series of debates, outlining both their foreign and domestic platforms, and are now—along with their families and supporters—devoting most of their time and money to winning the vote in the 10 so-called swing states that many experts say will decide the 2004 election.

According to a study by Nielsen Monitor-plus and the University of Wisconsin Advertising Project released on October 12, Colorado, Florida, Iowa, Michigan, Minnesota, New Mexico, Nevada, Ohio, Wisconsin and Pennsylvania are key swing states in the upcoming election with both campaigns directing the bulk of their media advertising to these states.

“The end-game of this advertising battle is now purely about reaching the 270 Electoral College votes needed, and focusing resources on the handful of states where the result remains in any doubt,” said Professor Ken Goldstein, director of the project and political science professor at the University of Wisconsin-Madison. A candidate needs 270 of the total 538 Electoral College votes to win the election.

Voters in Ohio and Florida—states that the Wisconsin study has described as “the center of the advertising

storm”—have been the most inundated by political advertisements, since five of the top ten advertising markets in this campaign are cities in those states. Many residents find the ads helpful, but at times overwhelming. “The ads can be pretty influential in terms of focusing on the main issues that voters really care about,” said Anne Marie Mulcahy, an Immigration attorney from Miami Beach, Florida. “But at some point after hearing these ads day in and day out, I think voters get advertisement fatigue.” In Ohio and Florida, the candidates spent over 19 million dollars in television advertisements alone the week before the final debate, airing ads a total of 17,000 times.

Ohio and Florida together control 47 Electoral College votes, but heavy media campaigns are also taking place in states such as New Mexico and Nevada which have only five electoral votes each. With the election generally predicted to be extremely close, campaign strategists are angling for every electoral vote they can get.

In addition to a media blitz during the run-up to November 2, candidates are traveling non-stop to reach as many voters in person as possible. John Kerry kicked off a nine-day tour of seven swing states—Nevada, Wisconsin, Ohio, Florida, Pennsylvania, Minnesota and Iowa—on October 14. President Bush the week of October 18 campaigned in New Jersey, Florida, Iowa and Minnesota. Both Bush and Kerry have made more than a dozen visits each to

Florida since March.

Both parties are also focusing their attention on voter turnout and are organizing efforts to register voters, especially their core constituencies, to encourage them to vote early where allowed and to help them get to the polls on Election Day if needed. In six states—Idaho, Maine, Minnesota, New Hampshire, Wisconsin, and Wyoming—voters can register as late as Election Day itself, making predicting eventual winners even less reliable.

Groups that are especially being targeted by Republicans include Evangelical Christians, who experts say overwhelmingly support President Bush but had a low turnout in the 2000 election. Democrats are reaching out in similar fashion to minority voters, one of their core constituencies, especially in urban areas of the country. ■

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Economic Issues and the 2004 Campaign

investors cashed in on the stock market boom—had made it possible for the U.S. government to run a surplus from 1998 to 2001, the first in 29 years. But, the expansion had run its course by the time President Bush took office, and the economy slipped into recession for most of 2001. Unemployment rose and the stock market declined by 15 percent. The September 11 attacks greatly exacerbated the economic conditions.



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<http://usinfo.state.gov>

The U.S. Department of State is pleased to present its election coverage newsletter, **Election Focus 2004**. The newsletter will provide non-partisan coverage of the U.S. election process, featuring articles, interviews, public opinion polls, and other information on the presidential primaries, debates, conventions and campaign activities of the major presidential candidates.

Election Focus 2004 is produced by the Democracy and Human Rights team in the Bureau of International Information Programs.

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The cornerstone of President Bush's first term domestic economic policy has been to reinvigorate the economy through four successive tax cuts. Bush argues that these tax reductions, by leaving more money with individuals and businesses, will enable them to spend and invest and thereby stimulate job-creating growth, which in turn will produce more tax revenue. The cuts have reduced taxes by nearly \$600 billion during Bush's term, according to the Office of Management and Budget. And while the impact of the tax cuts is hard to precisely assess, the cuts, along with the increased federal spending and the Federal Reserve's interest rate cuts, have contributed to the continued growth since 2001. The Congressional Budget Office is forecasting a 4.5 percent expansion in 2004, the biggest since the 2001 downturn.

Concerns about the economy continue, however, spurred by slow job creation and slow increases in employee compensation, while the budget deficit grows. Kerry has charged that Bush is the first president in 72 years to preside over an economy that has lost jobs, although the President counters that the most recent Bureau of Labor Statistics figures show increases in jobs.

President Bush has stood by his tax cut policy as the correct measure to get the economy growing, arguing that the government spends the taxpayers' money and with tax cuts, the taxpayers can keep more of their money and can spend it as they wish. "It's your money," he said in the October 13 debate in Tempe, Arizona

Kerry says that the Bush tax cuts have mostly benefited the richest 2 percent of the country, and if he is elected, will instead adjust the tax cuts so that they go the middle class, by giving a tax cut to Americans who earn under \$200,000 a year. He will

also increase certain tax benefits for middle class families for expenses such as childcare and college tuition. Kerry has also pledged to work to stop companies from sending jobs overseas by eliminating tax incentives he said encourage U.S. companies to ship jobs out of the country. Kerry also said he will protect American jobs by enforcing U.S. trade agreements.

Both Bush and Kerry also pledge to take steps to expand health benefits, get coverage for people who don't have health insurance, implement measures to control costs, and improve access to pharmaceuticals, although their plans to achieve these goals differ.

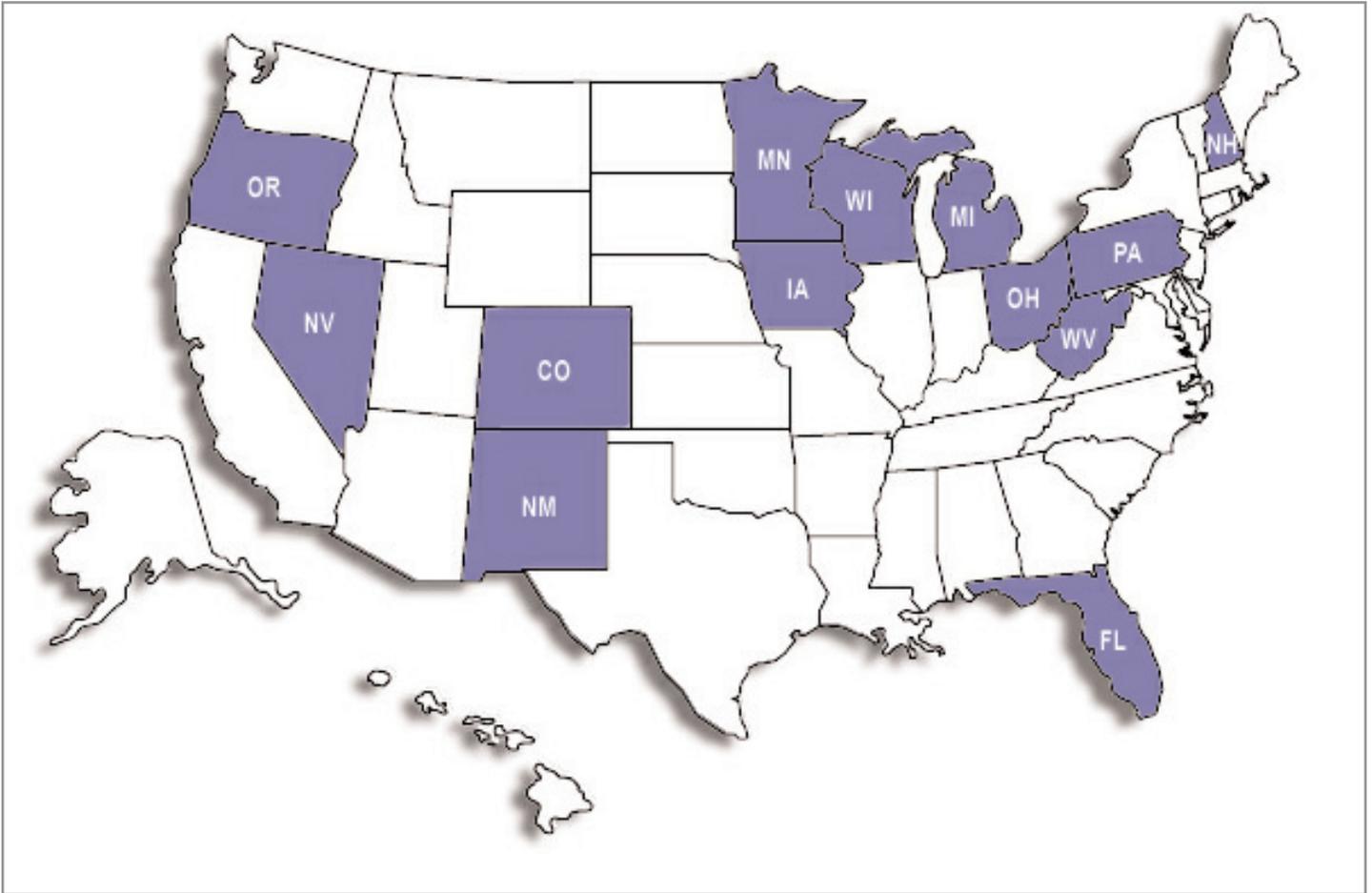
Reduced tax revenues, the costs of the War on Terror and in Iraq, and other spending increases reduced the surplus, which peaked at \$236 billion in 2000, to a \$415 billion fiscal deficit in 2004. While this is the highest dollar amount ever, the 2004 deficit amounts to 3.6 percent of GDP, well below the worse deficit in 1983, which was six percent of GDP. Both Bush and Kerry have promised to cut the deficit in half during the next four years. Bush promises to do so by pro-growth policies and by encouraging "fiscal sanity" in the Congress. Kerry said his plan on the deficit includes ending tax cuts for the wealthiest, ending tax breaks to big corporations, and imposing a real cap on spending.

The pressures on the U.S. budget will sharply increase by the end of the 2004-2008 presidential term as the first members of the baby boom generation born between 1946 and 1964 start retiring. These retirements will put greater and prolonged pressure on the budget as payments for the Social Security income insurance program and old age medical programs, such as Medicare, sharply increase even as the number of taxpayers decreases. ■

"The end-game of this advertising battle is now purely about reaching the 270 Electoral College votes needed, and focusing resources on the handful of states where the result remains in any doubt."

—Professor Ken Goldstein,
Director of the University of Wisconsin
Advertising Project

Campaign★Highlight



The Battleground States

As the November 2 presidential election draws near, President Bush and his Democratic challenger, Senator John Kerry, are directing their resources and time to a few crucial “battleground” or “swing” states which experts say either candidate could win on election day. While there is no consensus on the number of battleground states—up to 17 states are typically cited as being in this group—pollsters differ on which are the swing states, and they can change as the campaign develops. Republican and Democratic strategists, however, have their own lists and are directing political advertise-

ments and candidate visits to states where they believe they can achieve victory.

A study by Nielsen Monitor-plus and the University of Wisconsin Advertising Project published on October 12 named Colorado, Florida, Iowa, Michigan, Minnesota, New Mexico, Nevada, Ohio, Wisconsin and Pennsylvania as the key swing states where the campaigns are directing the bulk of their media advertising. Many experts also cite West Virginia, Oregon and New Hampshire as battleground states.

Battleground states do not have to have a large number of Electoral College votes. The 2004 election is expected to be close, so even a small state with a few Electoral College votes can give the candidate the winning margin.

Here is a look at some of the issues in each of these battleground states:

OHIO

President Bush defeated former Vice President Al Gore in 2000 in Ohio—a state with 27 Electoral College votes—by less than three per-

cent of the vote, and has visited the state more than 14 times since he was elected.

Key issues for Ohioans include the loss of manufacturing jobs—about 265,000 since 2000—and high unemployment. Experts believe that the record number of new voter registrations—the state has recorded over 600,000 new voters as of October 4—will determine the outcome of the presidential election in Ohio this year.

FLORIDA

The extremely close vote and controversial recounts in 2000 highlighted the impact that a single state can have on the election's outcome.

In the 2004 campaign, both candidates are addressing Florida's large immigrant population. Bush is promoting a "guest-worker" plan—officially known as the Border Security and Immigration Improvement Act, while Kerry is promoting "earned citizenship"—legalization and citizenship reform for undocumented immigrants.

The state's large senior citizen population, a major voting bloc, will be looking at the candidates' positions on such issues as Medicare, prescription drugs and proposals to partially privatize the investment of Social Security funds. Other significant Florida constituencies are African-Americans, Cuban-Americans and veterans.

Many experts cite the popularity of Florida Governor Jeb Bush (President Bush's brother)—especially after his widely praised handling of the series of hurricanes that struck Florida this year—as a potential factor in the Republican party's chances to secure the 27 Electoral College votes in this state.

PENNSYLVANIA

In the past three presidential elections, Democrats won this state's 21 electoral votes. Registered Democratic voters outnumber registered Republicans by almost half a million. However, Republican presidential candidates carried Pennsylvania in 1980, 1984 and 1988.

The state's older voters will be looking at the candidates' positions on health care issues such as prescription - drug legislation and Medicare, while the state's steel producing regions will be concerned with trade issues.

Democrats have three advantages in Pennsylvania: Democratic Governor Ed Rendell's ability to deliver votes; the regional success of liberal voter mobilization groups such as America Coming Together and the Partnership for America's Families; and the popularity of Teresa Heinz Kerry, widow of the former Pennsylvania senator John Heinz and now John Kerry's wife.

WEST VIRGINIA

Until the 2000 presidential election, West Virginia had voted Republican in only three of the previous 18 presidential elections, each time for a Republican incumbent. Economic development and the future of the coal industry are dominant election themes in this state with five Electoral College votes. West Virginia has a large veteran population, and each candidate is targeting his West Virginia message to security and military service issues as well.

WISCONSIN

Wisconsin has voted for the Democratic candidate in four of the last six presidential elections, crossing over to support Republican Ronald Reagan in his two landslide victories

in 1980 and 1984.

With 10 electoral votes, Wisconsin has lost 75,000 manufacturing job since the last presidential election. About 12 percent of Wisconsin's voters are veterans, so the war in Iraq, defense issues and veteran benefits are topics of interest.

IOWA

Iowa, with seven electoral votes, last voted for a Republican presidential candidate in 1984.

Chairman of the Bush-Cheney 2004 Iowa Leadership Team David Roederer said that Iowa was one of seven states where the difference between the presidential candidates in 2000 was less than a percentage point. The Republicans lost by 4,100 votes. Democrats, inspired by Al Gore's 2000 victory with the assistance of Democratic Iowa Governor Tom Vilsack, are campaigning on themes of jobs, the economy, health care, insurance, education and opposition to free trade.

OREGON

Democrats have won in the last three presidential elections in Oregon, which has seven electoral votes. However, Republicans won nine of the 10 elections from 1948 to 1984, with the exception of Lyndon Johnson's 1964 landslide victory.

Despite a liberal social record that includes support for same-sex marriage, medicinal marijuana and physician-assisted suicide, voters defeated a plan in 2002 to raise taxes to fund universal health care, which some view as a sign of emerging fiscal conservatism.

In 2000, Gore beat Bush by less than 7,000 votes in the state. But with Ralph Nader—the independent

candidate who is often cited as taking votes away from Democratic candidates—not on the Oregon ballot in 2004, the Democrats are hopeful that they may win the state more easily.

NEW MEXICO

Considered a bellwether state, New Mexico, with five electoral votes, has supported every winning president since 1912 except in 1976.

Democratic Governor Bill Richardson, who is of Hispanic origin, may be influential in delivering votes from the largest Hispanic population in the nation.

The “guest worker” immigration initiative, promoted by President Bush, and the Democratic alternative of “earned citizenship” are designed to appeal to Hispanic voters.

NEW HAMPSHIRE

This traditionally conservative state, in which Republicans outnumber Democrats in registration 36.7 percent to 25.6 percent, has voted for the Republican candidate in six of the past eight presidential elections. However, in 1996, Bill Clinton beat Bob Dole by an almost 10-point margin.

New Hampshire, with a population of 1.3 million and four electoral votes, gained over 13,000 new jobs in the past year, 70 percent of which paid more than the national average.

New Hampshire has a strong

computer-technology sector. Kerry's proposes to strengthen this sector through his plan to stimulate economic growth by cutting taxes on small businesses and research.

Republicans counter that President Bush's tax cuts already have created thousands of jobs in New Hampshire.

COLORADO

A ballot measure that would allow Colorado to split its nine Electoral College votes proportionally—all other states have a winner-take-all system except for Maine and Nebraska—has put the state in the spotlight this election

year. The measure will go into effect immediately, if approved. However, if the presidential election's outcome ends up depending on Colorado's electoral votes, legal challenges can be expected that could easily end up in the U.S. Supreme Court, according to the Washington Post.

MICHIGAN

Michigan is frequently cited as a swing state. Voters have not supported a Republican candidate since 1988. Al Gore won by just five percentage points in the 2000 election, so Republicans view the state—and its 17 Electoral College votes—as a possible gain in 2004. President Bush has visited the state more than 20 times.

Although Michigan has shown some improvement in unemployment

numbers—the state's employment rate had been as high as 7 percent in 2003—the economy, especially job creation, remains the key issue in this state known for manufacturing automobiles.

MINNESOTA

This state has voted Democratic in every election since 1972, but Al Gore won by only a slim margin in 2000. While Democrats in the past could rely on Minnesota's farmers and laborers for support, the state has been leaning increasingly Republican with its election of a Republican governor and senator in 2002, and an increasing number of Republican Congressmen and members of the state legislature. Minnesota has 10 Electoral College votes.

NEVADA

President Bush won Nevada in the 2000 election, but recent polls showed Kerry gaining ground in this state with five Electoral College votes. Both parties have registered a record number of voters. Democrats now outnumber Republicans in this traditionally Republican state.

Proposals such as the U.S. Department of Energy's recommendation to use Nevada's Yucca Mountain as a depository for nuclear fuel and waste—a measure that President Bush supports—has made the environment a key issue. ■